

HILMAR COUNTY WATER DISTRICT
BOARD OF DIRECTORS MEETING
July 5, 2023

Members Present – Jim Jones, Frank Hilliard, Jim Gerdes, and David Anderson.

Members Absent – Tony Salvador.

Public in Attendance – None.

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Action Items

A motion to approve the Consent Items was made by Jim Gerdes and seconded by David Anderson.
Motion passed 4-0.

A motion to approve Bills Payable: July 2023 was made by Jim Gerdes and seconded by Frank Hilliard.
Motion passed 4-0.

A motion to approve the Extension of the Conditional Can and Will Serve Letter for 19465 American Avenue (Edward R. Ellington and Barbara J. Ellington) was made by Frank Hilliard and seconded by David Anderson. Motion passed 4-0.

A motion to approve the Extension of the Conditional Can and Will Serve Letter for Poquito Lakes Project (Poquito Lakes – JKB Homes) was made by David Anderson and seconded by Frank Hilliard.
Motion passed 4-0.

A motion to approve the Extension of the Conditional Can and Will Serve Letter for Mike Wadsworth-Wadsworth Properties Limited Partnership was made by Jim Gerdes and seconded by David Anderson.
Motion passed 4-0.

A motion to Adopt Resolution No. 562: A Resolution Adopting Budget for 2023/2024 Fiscal Year was made by David Anderson and seconded by Jim Gerdes. Motion passed 4-0.

A motion to Adopt Resolution No. 563: A Resolution Adopting Customized Water and Wastewater Fees for the Hilmar Unified School District was made by Frank Hilliard and seconded by Jim Gerdes. Motion passed 4-0.

Meeting – 07/05/23
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The meeting was called to order at 5:28 p.m. by President Jim Jones.

Consent Items – A motion was made and seconded to approve the Consent Items.

Public Forum – None.

District Manager's Report –

Curtis reported the percentage loss for the month of July was negative 3.13%. He is not sure as to why this is. It could possibly be we may need to replace the flow meter at Well #6, since we are using it more. TSS and BOD results have come down for the month of June. TSS was 48mg/l and BOD was 54 mg/l. Still not below the State standard of 40mg/l. Mr. Anderson inquired as to what is our water loss ratio on a yearly basis. Curtis stated it's probably between 8 to 13%, which is within industry standards.

Curtis reported since the notice that was distributed notifying customers the drinking water nitrate problem was corrected, both wells have been sampled twice a week and we continue to have good results. After next week's results, and if the results are maintained at the State standards, we will have satisfied the State's requirements, and the State may possibly put us back to the 3-year testing schedule. We don't know what may have caused the nitrate issue. Curtis will be looking at the possibility of securing funding based on an emergency water source situation. Mr. Hilliard inquired as to what is the status of the Hilmar Cheese EPA funding. Curtis replied that the EPA rejected all the proposals submitted by Hilmar Cheese. They will need to just pay the fine to the EPA.

Curtis informed the Board we have received the water discharge order for the WWTP. We will have to update some documents based on the new order.

Director Reports – Mr. Hilliard inquired if the District is responsible for cleaning the drain inlets. He has noticed some weeds growing out of them. Curtis will have staff work on it.

Public Hearing: Adoption of District Budget for the 2023/2024 Fiscal Year.

The Public Hearing was called to order at 5:44 p.m.

The Public Hearing to adopt the proposed District Budget for the 2023/2024 Fiscal Year has been legally noticed in the Hilmar Times, and posted at three sites in Hilmar, and posted on our website. We received no written comments and there was no public in attendance. The Public Hearing was closed.

Action Items –

- A) The bills that are due to be paid in July were presented. A motion was made and seconded to pay the bills presented.
- B) The Conditional Can and Will Serve Letter for 19465 American Avenue (Edward R. Ellington and Barbara J. Ellington) was presented and a motion was made and seconded to extend the Conditional Can and Will Serve Letter.
- C) The Conditional Can and Will Serve Letter for Poquito Lakes Project (Poquito Lakes – JKB Homes) was presented and a motion was made and seconded to extend the Conditional Can and Will Serve Letter. Mr. Anderson inquired if this property could possibly be a spot for our corporation yard. Curtis replied based the dollar figures he didn't believe it would be. Mr. Spencer Supinger, the District Engineer, also stated the County would require installation of a storm drain basin thus affecting the size of actual land available to build a corporation yard.

- D) The Conditional Can and Will Serve Letter for Mike Wadsworth-Wadsworth Properties Limited Partnership was presented. Curtis stated this project is South of Geer Avenue. The current conditional can and will serve letter reflects 105 equivalent dwelling units. Merced County is requesting Mr. Wadsworth increase the dwelling units by an additional 31 units for a total of 136 units. The number of EDUs is a condition of Merced County to help meet housing goals set by the State. Mr. Wadsworth is requesting an early renewal, originally it was set to expire in September, to provide the letter to the County. Staff recommended approving the extension reflecting a total of 136 units. A motion was made and seconded to approve the extension of the Conditional Can and Will Serve Letter.
- E) Curtis presented Resolution No. 562, a Resolution Adopting Budget for 2023/2024 Fiscal Year. Curtis presented the final budget report and he also presented the guidelines and assumptions list used to develop the 2023/2024 Budget.
- Based on the 2021 Rate Study previously conducted and subsequent Proposition 218 process, rates will be adjusted according to the chart listed in Appendix A included in the packet.
 - Continue to maintain our status as a disadvantaged community. A study that was finalized in June of 2023 does again confirm our disadvantaged status. In addition, should the state MHI go up within the next 5 years, it may allow us to claim “severely” disadvantaged status.
 - Fund all Capital Improvement Projects for the current Fiscal Year. Per the 2021 Rate Study, we will take on debt this year to fund our projects. This was expected and has been figured accordingly into the budget.
 - Continue funding reserve accounts in accordance with the District’s 2021 Rate Study document.
 - Include adjustments to the salary and benefits of all District Employees, including the following specific updates:
 - Maintain the current staffing levels for the upcoming fiscal year (Customer Service Representative, Office Manager, four Operators, and one District Manager).
 - Cos of living, individual performance, and benefits adjusted at a combined rate of 7.4%.
 - Commit to reduce/eliminate deficit spending.
 - Continue to maximize all funding sources (applying for grants and other one-time funds).
 - Continue management techniques to maximize efficiencies.

A motion was made and seconded to adopt Resolution No. 562.

- F) Curtis presented Resolution No. 563, a Resolution Adopting Customized Water and Wastewater Fees for the Hilmar Unified School District. The resolution lines out the fee

framework for the new Elementary School as discussed at the last board meeting. A motion was made and seconded to adopt Resolution No. 563.

Discussion Items –

- A) Curtis stated more clarification is needed for the CalTrans Street Sweeping Agreement. It will be brought back at the next meeting.
- B) Curtis reported RCAC has solidified the results of the Median Household Survey. We continue to be a disadvantaged community. The study will assist the District with the ability to apply for different funding opportunities.

Prior to closed session Curtis clearly explained that he has a conflict with the closed session item. He stated he has an ownership stake in the entity that owns the subject property. Because of this, he recused himself from this item. Mr. Hilliard was selected by the Board at the last meeting to handle this agreement and will report on the negotiation in closed session. Curtis then left the room.

The Directors Convened to Closed Session at 6:31 p.m. to conference with Real Property Negotiator per Government Code Section 5496.8. Location: 22063 American Avenue, Hilmar, CA.

Directors returned to Open Session at 6:33 p.m. Curtis returned and staff was directed to authorize the agreement with Jersey Generations with an effective date of August 1st.

There being no further business the meeting was adjourned at 6:43 p.m.

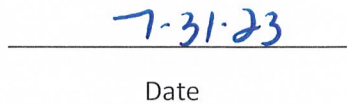
Respectfully Submitted,



Approved by:



Board Member



Date